



# Pre-close call Q1 2026

27<sup>th</sup> March 2026

Danske Bank – Investor Relations

## SCRIPT - Q1-2026 PRE-CLOSE CALL, 27<sup>TH</sup> MARCH 2026

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Claus I. Jensen – Danske Bank – Head of IR

### Intro

Good afternoon and welcome to the Danske Bank Q1 2026 pre-close call. My name is Claus Ingar Jensen, and I am Head of Investor Relations. With me, I have Olav Jørgensen and Nicolai Tvernø from our IR team. Please note that this call is being recorded for compliance reasons, and the script used for this call will be published on the Investor Relations website after the call. Given that we conduct this call via Teams, please be aware that if you want to ask questions, you must log on via the Teams app or your browser. If you participate via a telephone line, the IR team will be available for questions after the call.

In today's call, I will highlight relevant public data and macroeconomic trends in our markets. I will go through the relevant P&L lines and comment on capital at the end. Afterwards, we will open for a Q&A session. For the sake of good order, I would also like to highlight the following. I will only answer questions related to already disclosed information as well as publicly available information, unless otherwise noted. In connection with this, I wish to highlight that developments in specific indices may not always have the same effect on our performance.

### Macro

Before going through the income lines, I would like to start with a brief comment on the most recent macroeconomic development based on our Nordic Outlook published in early March.

Concerning the Euro area, we continue to see that the base case for growth is better than expected. In addition, the labour market is resilient and inflation back below 2% target. For the Nordic region, the outlook is positive as we expect broad improvement. In our latest Nordic Outlook, 2026 GDP forecast was increased to 3.0% from 2.7% for Denmark and for Sweden to 2.8% from 2.6%.

Focusing on the Danish economy, the solid economic development is expected to continue. Unemployment is low and growing real wages is expected to drive domestic growth, despite a sustained low consumer sentiment. Housing market activity continues to be strong, both nationwide but especially in the Copenhagen area.

Now, let us have a look at net interest income.

### Net interest income

Let me briefly highlight our expectations concerning central bank policy rates.

Geopolitical turmoil and higher energy prices would lead to higher inflationary pressure. ECB also acknowledged this at the meeting on 19 March, keeping policy rates unchanged while citing new uncertainty and commitment to their data driven approach. Forward rates have recently been repriced substantially. The market has gone from pricing in an around 10 basis points cut by early 2027 to now pricing more than two hikes of each 25 bps before the end of 2026. Our in-house view from Danske Bank Macro Research, updated as recently as this morning, reflects this accordingly in their revised expectation - now calling for two 25bps rate hikes from the ECB to take their policy rate to 2.50% by the end of 2026. This could subsequently be reversed in 2027, however, the policy rate trajectory is particularly uncertain.

Note that the observed changes in forward rates are not expected to materially impact NII for the first quarter.

For reference, we highlight that in Q4, we had a non-recurring benefit to the NII line of around DKK 0.2 bn as part of the ordinary tax assessment.

Regarding recent volume developments, we refer to public sector statistics released 26<sup>th</sup> of March. In terms of lending volumes, we note that overall credit demand has improved slightly in the beginning of Q1.

Please note that Q1 has 2 fewer interest days compared to Q4. The day effect is estimated to be around DKK 65-70 million.

As always, please be mindful of currency fluctuations in the markets where we operate. During Q1, NOK appreciated roughly 5%, while SEK and GBP were roughly flat against DKK as of 23<sup>rd</sup> March.

Looking at funding costs, we note that CIBOR has been roughly flat while NIBOR and especially STIBOR have increased during the quarter. STIBOR by around 12 bps and NIBOR by around 3 bps. All based on quarterly averages.

In terms of wholesale funding in Q1, we have issued around DKK 42 bn well in line with our full year funding plan of DKK 90 - 110bn of debt issuance across instruments. We have simultaneously redeemed around DKK 20bn.

Of noteworthy funding transactions, we recently issued a new USD 500m Perpetual Non-call 7 AT1 transactions, that despite a volatile market backdrop saw significant investor demand allowing us to obtain a coupon of 6.6% equivalent to a reset spread at UST +255 basis points.

Please visit [Danskebank.com Debt section](https://www.danskebank.com/Debt-section) for further details on terms and pricing for our issuance.

Moreover, we reiterate the interest rate sensitivity given with the Q4-25 interim report release, which is an approximately DKK 650 million negative impact per 25 bps cut across all currencies.

Correspondingly per 25 bps hike we estimate a positive effect of around DKK 450m. In addition, we estimate a year 2 and 3 up and down effect of DKK 300m and 100m respectively, related to our structural hedge. Please note that by far most of our sensitivity relates to DKK and EUR, in that order.

### **Fee income**

In respect of fee income, we will start by noting that the development is as always subject to conditions in the financial markets, refinancing activity and the general activity level among our customers.

Everyday banking fees continues to benefit from healthy corporate activity and somewhat improving consumer sentiment.

With respect to investment fees, we note that this line is naturally impacted by the development in assets under management as well as the investment activity among our customers. In addition, we highlight, the significant volatility in financial markets in March 2026, which could affect the investment appetite of our customers and impact AuM.

Also, please note the seasonality around performance fees which are booked in Q4 and were we saw a record performance fee booking in Q425 with DKK 0.9bn in Asset Management.

In respect of fees generated from financing, we expect refinancing fees from adjustable-rate mortgages in Realkredit Danmark in Q1 to be approximately DKK 50m lower than in Q425. As a reference, in Q425 it amounted to around DKK 160m.

Finally, concerning fee income from capital markets activity, we note that primary markets activity has seen some impact from the recent volatility, especially, ECM activity has been subdued.

### **Trading income**

Now turning our focus to trading income.

Please note that customer driven trading income primarily in LC&I is impacted by the level of customer activity in Q1.

### **Danica**

Danica's results are always subject to developments in the financial markets and in the Health & Accident business. The investment result in Q1 is naturally subject to the rate and spread development given the current financial market turmoil.

Note that in Q125, we booked a negative one-off on net income from insurance of around DKK 0.2bn, related to a higher provision for a legacy life insurance product.

Also, we highlight for reference, that net income from insurance in Q425 included a one-off related to model calibration for past years following an FSA order of negative DKK 0.2bn.

The soft guidance for normalized net income from insurance business remains unchanged.

### **Other income**

We have no specific comments to other income.

### **Costs**

We have no specific comments regarding the quarterly development in costs. We reiterate our outlook for FY expenses of up to DKK 26 - 26.5 billion in 2026.

### **Loan impairments and credit quality**

We have no specific comments to credit quality in the first quarter but want to emphasize that despite the uncertainty from the war in the Middle east, we don't see any immediate impact on our credit portfolio and our macro scenarios already capture a severe downturn scenario. As such, we reiterate full-year loan impairment guidance of around DKK 1bn.

### **Tax**

We do not have any comments with respect to tax.

### **One-offs**

We do not expect any other one-off items for Q1-26.

### **Capital**

In respect to REA, we expect credit risk REA to reflect growing lending volumes, particularly in the corporate segment. We also note that market risk REA is subject to the volatility, which we have seen in the financial markets.

Finally, the implementation of the conglomerate directive has led to around DKK 4 bn REA increase in credit risk REA related to our insurance business.

Regarding capital, as shown in the release of our Q4 results, the additional distribution outside our already accrued 60% related to the ordinary dividend policy, has been fully reflected in the reported Q4 CET1 ratio.

### **Concluding remarks**

This concludes our initial comments in this pre-close call.

Before we move to the Q&A session, I would like to highlight that we begin our silent period on 9<sup>th</sup> April. We will shortly start to collect consensus estimates with a contribution deadline on Wednesday 8<sup>th</sup> April.

Please note that we publish the Q1 Interim Report on the 30<sup>th</sup> April at 7.30am CET and that the Q1 conference call for investors and analysts will take place at 8.30am.

At the call, alongside presentation of financial results for the first quarter, we will as previously mentioned provide an update on the Forward 28 strategy including updated financial targets for 2028.

We are now ready for the Q&A session. If you wish to ask a question, please use the "raise your hand" function.